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PATENT
Attorney Docket No.: 80083-666733
Client Ref. No.: P-00881US

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE
THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re application of:

Ayman Hammad et al.

Application No.: 10/676,848

Filed: September 30, 2003

For: METHOD AND SYSTEM FOR
MANAGING CONCURRENT SKU-
BASED REWARDS PROGRAM

Customer No.: 66945

Confirmation No.: 3759

Examiner: Daniel Lastra

Art Unit: 3688

**APPELLANTS' REPLY BRIEF
UNDER 37 C.F.R. § 41.41**

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Reply Brief is submitted in response to the Examiner's Answer mailed on
February 16, 2011.

1. Status Of Claims

Claims 1, 3-6, 9-12, 14-21, 24-29, 42-52, 60-65, 68-69, 76-79 and 81-82 are pending and finally rejected. Appellants appeal from the rejection of all pending claims. Claims 2, 7-8, 13, 22-23, 30-41, 53-59, 66-67, 70-75, and 80 are canceled.

2. Grounds Of Rejection Presented For Review

Are claims 1, 3-6, 9-12, 14-21, 24-29, 42-52, 60-65, 76-79, and 81-82 obvious under 35 U.S.C. § 103(a) over U.S. Publication No. 2002/0062249 to Iannacci ("Iannacci") in view of U.S. Publication No. 2001/0016827 to Fernandez ("Fernandez") and further in view of U.S. Publication No. 2002/0082920 to Austin et al. ("Austin")?

3. Response To Examiner's Argument

In the Examiner's Answer, the prior obviousness rejections are maintained and additional comments were presented in response to the Appellants' Brief filed on December 6, 2010. Appellants stand on the arguments presented in the Appellants' Brief and present the following comments directed to the Examiner's Answer.

At page 21 of the Examiner's Answer, the Examiner attempts to respond to Appellants' argument that the cited art does not teach or suggest incentive parameters comprising information indicating if an incentive is redeemable in the transaction with another incentive. The Examiner states the following:

Austin teaches that it is old and well known in the promotion art at the time the application was made, to know that merchants define restrictions in how to redeem incentives, when one of such restrictions may require that an incentive may not be combined with other incentives (see paragraph 57). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Iannacci would modify his invention to define restrictions (i.e. incentive parameters) in redeeming incentives which would require that an incentive may not be combined with other incentives . . .

It is unclear how paragraph 57 of Austin discloses incentive parameters comprising information indicating if an incentive is redeemable in the transaction with another incentive. At best, Austin discloses an incentive that may not be combined with any other incentive. It is well known in the prior art to prohibit the combination of incentives due to the complexity of determining which combination of incentives to apply. One of the many advantages of the present invention, however, is the use of incentive parameters to determine which incentives can be combined. Such incentive parameters are not disclosed by Austin.

At page 22 of the Examiner's Answer, the Examiner attempts to respond to Appellants' argument that the cited art does not teach or suggest a method as recited in claim 1 where, *inter alia*, "each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction." The Examiner states the following:

Iannacci teaches using a same product identifier in a transaction (i.e. Tide detergent) to provide to a consumer at least two of the plurality of incentives, such as \$1.00 manufacturer coupon and 10% member loyalty discounts (see paragraph 314). Therefore, contrary to Appellant's argument the prior arts teach Appellant's claimed invention.

Paragraph 314 of Iannacci does not disclose at least two of the plurality of incentives being determined using the same product identifier. Even assuming, *arguendo*, that the application of the \$1.00 manufacturer coupon to Tide detergent discloses an incentive determined using a product identifier, the application of the 10% member loyalty discount to the transaction does not disclose a second incentive determined using the same product identifier. A loyalty discount applies to a transaction as a whole, irrespective of the particular product purchased. Therefore, application of the loyalty discount in paragraph 314 of Iannacci is completely unrelated to the purchase of Tide detergent, and Iannacci fails to disclose at least two of the plurality of incentives being determined using the same product identifier.

At page 22 of Examiner's Answer, the Examiner acknowledges Appellants' argument that the cited art does not teach or suggest, *inter alia*, "determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction," as recited in claim 1. However, the Examiner fails to respond to this argument. Clearly, the Examiner fails to comply with MPEP 707.07(f)¹, and the rejections of record should be withdrawn for the additional reason that the Examiner has failed to provide a response to Appellants' arguments for patentability.

In response to Appellants' argument that Iannacci and Fernandez are not combinable since modifying Iannacci with Fernandez would have rendered Iannacci unsuitable for its intended purpose, the Examiner states the following:

The Appellant argues in pages 14-15 that obviousness has not been [sic] because according to the Appellant, the read/write unit in Fernandez is designed to operate entirely in an offline manner. The Examiner answers that Fernandez teaches that the read/write unit connects with a central server in order to receive updated information and also to transmit log information (see paragraphs 26, 30). Therefore, contrary to Appellant's argument, the Fernandez's [sic] read/write units do not operate entirely offline and the prior arts are combinable.

Examiner's Answer, at 22. Even assuming, *arguendo*, that Fernandez teaches a read/write unit that connects with a central server to receive updated information and to transmit log information, such limited communication with a central server would nonetheless render

¹ 707.07(f) *Answer All Material Traversed*

In order to provide a complete application file history and to enhance the clarity of the prosecution history record, an examiner must provide clear explanations of all actions taken by the examiner during prosecution of an application.

Where the requirements are traversed, or suspension thereof requested, the examiner should make proper reference thereto in his or her action on the amendment.

Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it. (Emphasis added).

Iannacci unsuitable for its intended purpose. Iannacci queries a central server at the time of each transaction. This level of server communication is necessary to deliver the stated benefits of Iannacci, such as providing “on-line and distributed access to ranked benefit, incentive, and award information,” and giving consumers access to “all their payment, award, and loyalty accounts” at the time of transaction. Iannacci, at paragraphs [0169] and [0178]. The limited and periodic server communication allegedly disclosed by Fernandez would render Iannacci unsuitable for its intended purpose. Therefore, Iannacci and Fernandez are not combinable.

Furthermore, as argued on page 15 of Applicants’ Brief, obviousness has not been established because neither the teaching or suggestion to combine Iannacci with Fernandez nor the reasonable expectation of success are found in the prior art. In the Examiner’s Answer, however, the Examiner fails to acknowledge this argument, let alone respond to it. Clearly, the Examiner once again fails to comply with MPEP 707.07(f), and the rejections of record should be withdrawn for the additional reason that the Examiner has failed to provide any response to Appellants’ arguments for patentability.

Fernandez is not combinable with Iannacci for the additional reason that Fernandez teaches away from Iannacci. Iannacci, by necessity, queries a central server at the time of each transaction. One of the stated benefits of Fernandez, however, is that “contact [with a central server] will not be necessary on a transaction by transaction basis.” Fernandez, at paragraph [0030]. Moreover, Fernandez explicitly states that such “continuous communication with a central server” is a “redundant operation [that] will eliminate much of the cost savings” the system in Fernandez provides. Fernandez, at paragraph [0027]. For at least these reasons, Iannacci and Fernandez are not combinable and therefore obviousness has not been established.

At page 22 of the Examiner’s Answer, the Examiner attempts to respond to Appellants’ argument that the cited art does not teach or suggest a portable consumer device or updating the portable device information in the portable device to indicate that the determined two or more incentives have been applied to the transaction, as recited in dependent claim 6. The Examiner states the following:

Iannacci teaches that consumers receive incentives for using as payment a preferred credit card (i.e. Visa, Mastercard) where the

credit card account is updated at the transaction to indicate earned incentives (see paragraph 314).

It is unclear how paragraph 314 of Iannacci discloses updating the portable device information in the portable device to indicate that the two or more incentives have been applied to the transaction. Iannacci discloses updating an account associated with a credit card, as distinguished from updating the portable device itself to indicate that two or more incentives have been applied to the transaction.

In response to Applicants' argument that the cited art does not teach or suggest a method where two or more incentives are applied to the same product, as recited in dependent claim 81, the Examiner simply states "see above paragraphs in this section response to argument for Examiner response." Examiner's Answer, at page 23. It is unclear to Applicants what paragraphs the Examiner is referring to, and Applicants are therefore unable to understand the grounds upon which claim 81 has been rejected.

Appellants further disagree for the reasons provided in the Appellants' Brief. Appellants request reversal of the rejection of record.

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Respectfully submitted,

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